

CHAPTER 2 SAMPLE CONTRACT (STANDARD AGREEMENT – 213)

List of Contract Documents

This chapter contains all the contract documents that are included in the “executed” contract between the State and local agencies, documents are signed or “executed” by both parties. The “contract” consists of the documents described below.

Document Name	Length
Standard Agreement (STD 213), includes terms, maximum funding amount, and signatures	1 page
Exhibit A – Scope of Work	7 pages
Exhibit B – Budget Detail & Payment Provisions	12 pages
Exhibit B, Attachment I (Year 1)	1 page
Exhibit B, Attachment II (Year 2)	1 page
Exhibit B, Attachment III (Year 3)	1 page
Exhibit C – General Terms and Conditions http://www.ols.dgs.ca.gov/Standard+Language/default.htm (online only)	4 pages
Exhibit D (F) – Special Terms & Conditions	26 pages
Exhibit E – Additional Provisions	10 pages
Exhibit F – Glossary of Terms & Definitions	5 pages
Exhibit G – Contractor’s Release	1 pages

Contract Effective Date

The initial contract is deemed “effective” on the date the Local Agency signs the Standard Agreement, (which has already been signed by the State). The Local Agency will subsequently mail the signed contract documents to the state. Local agencies may submit invoices to the State WIC Branch for payment after the effective date.

I. SAMPLE CONTRACT

Contract

Sample Contract for Chapter 2 to follow this page.

REGISTRATION NUMBER

AGREEMENT NUMBER

contract number

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

(Also referred to as CDHS, DHS, or the State)

California Department of Health Services

CONTRACTOR'S NAME

(Also referred to as Contractor)

<contractor name>

2. The term of this Agreement is: through

3. The maximum amount of this Agreement is: \$ <total funds available>
<write out amount>

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	7 pages
Exhibit B – Budget Detail and Payment Provisions	12 pages
Exhibit B, Attachment I – Budget (Year 1)	1 page
Exhibit B, Attachment II – Budget (Year 2)	1 page
Exhibit B, Attachment III – Budget (Year 3)	1 page
Exhibit C * – General Terms and Conditions	GTC 304
Exhibit D(F) – Special Terms and Conditions (Attached hereto as part of this agreement)	26 pages
Exhibit E – Additional Provisions	10 pages
Exhibit F – Glossary of Terms and Definitions	5 pages
Exhibit G – Contractor's Release	1 page

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <http://www.ols.dgs.ca.gov/Standard+Language>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

California Department of Health Services

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

Terri L. Anderson, Chief, Contracts and Purchasing Services Section

ADDRESS

1501 Capitol Avenue, Suite 71.2101, MS 1403, P.O. Box 997413
Sacramento, CA 95899-7413

**California Department of
General Services Use Only**

☐ Exempt per:

Exhibit A

Scope of Work

1. Service Overview

Contractor agrees to provide to the Department of Health Services (DHS) the services described herein to operate the Women, Infants and Children (WIC program) Supplemental Nutrition Program as defined in Exhibit F; provide WIC program benefits to WIC participants; and comply with all fiscal, administrative and operational requirements as outlined in this Agreement, the Contract Management Binder (CMB) and the WIC Program Manual (WPM).

2. Service Location

The services shall be provided at approved WIC sites within the Contractor's service location, as defined in Paragraph A, of this provision. Contractor may serve participants who do not live in the service location at the participant's request, for reasons such as a preference to attend a WIC site near their place of employment. The State may modify an existing service area to reflect changing business needs and will notify the Contractor of changes in writing. If the change impacts the Contractor's funding needs such that additional funds are required in excess of the Amount Payable for a budget period, then the state will initiate a contract amendment.

A. Contractor agrees to provide WIC program benefits to:

Eligible residents of ...(Each contract will have specific service area listed here)

3. Service Hours

The services shall be provided during the Contractor's normal business hours, excluding holidays, as outlined in the WPM, Section 530-10. As feasible, Contractors shall implement business hours to accommodate working parents and caregivers.

4. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Services

Analysts Name

Telephone: (XXX) XXX-XXXX

Fax: (XXX) XXX-XXXX

E-mail: Xxxxxxxx@dhs.ca.gov

Contractor

Name, Executive Director

Telephone: (XXX) XXX-XXXX

Fax: (XXX) XXX-XXXX

E-mail: Xxxxxxxx@xxxxxxx

Exhibit A
Scope of Work

- B. Direct all inquiries to:

Department of Health Services
Women, Infants, and Children (WIC)
Supplemental Nutrition Branch
Attention: Analyst's Name
3901 Lennane Drive
Sacramento, Ca 95834

Telephone: (XXX) XXX-XXXX
Fax: (XXX) XXX-XXXX
E-mail: Xxxxxxxx@dhs.ca.gov

Contractor
Local Agency Name

Attention: Name, PWPC
Street Address
City, State, Zip Code

Telephone: (XXX) XXX-XXXX
Fax: (XXX) XXX-XXXX
E-mail: Xxxxxxxx@xxxxxxx

- C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.
- D. Contractor shall designate a Primary WIC Program Contact (PWPC), as defined in Exhibit F, to be the principle liaison to the State for this Agreement. The Contractor shall provide the State with written notice at least seven calendar days in advance if there is a change of the PWPC and shall provide in writing the name and address of the new PWPC and specify if the PWPC is permanent or acting in the position. A change in the PWPC shall not require an amendment to this Agreement.
- E. The State prefers that the Contractor fill the PWPC position with a Registered Dietitian (RD), credentialed by the American Dietetic Association's Commission on Dietetic Registration. If the Contractor wishes to fill the position with a person other than a Registered Dietitian that the Contractor believes has qualifications appropriate to oversee WIC nutrition services, including how to assess staff's ability to carry out the RD-required services, the Contractor must submit to the State, a copy of the applicant's resume and a cover letter explaining how this applicant meets the requirements of the position. If the applicant is not a Registered Dietitian, the applicant must be approved in writing by the State prior to being hired by the Contractor.

5. Allowable Informal Scope of Work Changes

- A. Changes and revisions to the Scope of Work contained in the Agreement, utilizing the "**allowable cost payment system**", may be proposed by the Contractor in writing. All requested changes and revisions are subject to the approval of the State. Failure to notify the State of proposed revisions to the Scope of Work may result in an audit finding.
- B. The State will respond, in writing, as to the approval or disapproval of all such requests for changes or revisions to the Scope of Work within 30 calendar days of the date the request is received in the program. Should the State fail to respond to the Contractor's request within 30 calendar days of receipt, the Contractor's request shall be deemed approved.

Exhibit A

Scope of Work

- C. The State may also request changes and revisions to the Scope of Work. The State will make a good-faith effort to provide the Contractor 30 calendar days advance written notice of said changes or revisions.
- D. Disallowed or unapproved informal Scope of Work changes are subject to Provision 8, entitled "Recovery of Overpayments", appearing in Exhibit B.
- E. Scope of Work changes by either party shall not require an amendment to this Agreement, provided the Contractor's "Maximum Amount Payable" or "Maximum Caseload Per Month" for the current budget period does not increase as a result of the Scope of Work change.
- F. Failure by the Contractor to receive approval from the State prior to implementing changes to the Scope of Work may result in payment withhold or denial or an audit finding. Disallowed or unapproved Scope of Work changes by the Contractor are subject to Exhibit B, Provision 10 and Provision 11.

6. Services to be Performed

- A. The Contractor shall be provided a maximum caseload number that identifies the maximum number of participants that may be served per month for each Budget Period under the terms of this Agreement. The authorized caseload to be served shall be identified in a Local Agency Award Letter for this Agreement.
- B. The Contractor agrees to provide WIC benefits to eligible persons up to the following maximum caseload:

<u>Budget Period</u>	<u>Maximum Caseload Per Month</u>
1) FFY 2005/2006	XXXXX
2) FFY 2006/2007	XXXXX
3) FFY 2007/2008	XXXXX

- C. An initial authorized caseload will be provided to the Contractor through a Local Agency Award Letter upon execution of this Agreement.
- D. Any changes to the authorized caseload shall be made through a Local Agency Award Letter informing the Contractor of the change. An amendment to this Agreement shall not be required unless the maximum amount payable for any budget period is increased.

7. Performance Standard

- A. The Contractor shall serve one hundred percent (100%) of the authorized caseload per month as stated in the Local Agency Award Letter. The Contractor's failure to

Exhibit A

Scope of Work

meet this requirement may result in a reduction in the Contractor's authorized caseload and funding shall be reduced based on a caseload funding formula.

- B. The State shall reduce the Contractor's authorized caseload and funding if the Contractor fails to meet the minimum caseload performance standard described in the CMB, Chapter 1. The State reserves the right to adjust the performance standard annually and shall provide written notification to the Contractor not less than 120 days prior to the effective date.
- C. If the State reduces a Contractor's authorized caseload, the Contractor's authorized caseload funding shall be reduced based on a caseload funding formula. The Contractor shall be notified in writing of any decrease in the authorized funding amount, in the written notification in B of this Provision. Such changes described in this Provision shall not require an amendment to this Agreement.

8. Supplemental Food Checks/Distribution System

The Contractor shall issue appropriate supplemental food checks and implement a food check distribution system, using the Integrated Statewide Information System (ISIS), to eligible participants in compliance with WIC Program Regulations (Title 7, CFR, Part 246.12), all USDA, Food Nutrition Services (FNS) guidelines and instructions, and the WIC Program Manual (WPM), Section 320-10. The distribution system must address check-stock storage, security (WPM, Section 350-10) and fraud prevention (WPM, Section 350-10), mailing protocol (WPM, Section 380-10) and education of participants as to the correct use of supplemental food checks (WPM, Sections 270-40 and 410-20.3).

9. Nutrition Education and Breastfeeding Support Services

The Contractor shall provide nutrition education to all adult participants, parents/caretakers of infants and children participants, in compliance with WIC Program Federal Regulations and the WPM. Nutrition education can be provided through group or individual sessions. A minimum amount of the total contract expenditures shall be expended on nutrition education activities, as specified in the CMB, Chapter 1.

- A. The Contractor shall annually, date to be specified by the State, develop and submit a Nutrition Services Plan (NSP), consistent with the nutrition education requirements of the State set forth in the WPM, Section 400, and in accordance with the WIC Program Federal Regulations (Title 7, CFR, Part 246.11 (d) (2)). The NSP shall be prepared by an RD or other staff member qualified to approve the documents and submitted to the State by the specified date.
- B. The Contractor shall provide breastfeeding promotion activities and support, as defined in Exhibit F. A minimum amount of the total contract expenditures, per pregnant and/or breastfeeding participant shall be expended for breastfeeding promotion activities as specified in the WIC Program Federal Regulations (Title 7, CFR, Part 246.14), WPM, Section 420-10 and the CMB, Chapter 1.

Exhibit A

Scope of Work

- C. The Contractor shall inform the public of the availability of all services provided under this Agreement, including the type of services offered, the eligibility criteria for receiving services, and the times and places the services are available, in accordance with instructions from the State, WIC Program Federal Regulations (Title 7, CFR, Part 246.4 (a) (7)) and the WPM, Sections 180-10 and 180-20.

10. Referral Services

The Contractor shall provide WIC Program applicants and participants with information on other health-related and public assistance programs, and when appropriate, shall refer applicants and participants to such programs, as required by the WIC Program Federal Regulations (Title 7, CFR, Part 246.4 (a) (7) and 246.7 (b)) and the WPM, Section 260-50.

11. Participant Eligibility Verification

The Contractor shall certify those persons determined to be eligible for WIC program benefits based on defined criteria in compliance with the WIC Program Federal Regulations (Title 7, CFR, Part 246.7 (5) (c)) and the WPM, Section 210. These regulations, guidelines and instructions prohibit exclusion of participation or denial of benefits, or any other discriminatory behavior on the grounds of race, color, national origin, age, sex, or disability. These regulations, guidelines, and instructions are further defined in Exhibit C, Provision 10; Exhibit D (F), Provision 1; and Exhibit E, Provision 11.

12. Staffing Standards

- A. The Contractor shall have RD staffing to ensure that adequate administrative time is available to develop and administer the nutrition components of the NSP, conduct required staff training, develop high risk individual nutrition education plans, conduct other nutrition-related education activities, and complete quality assurance and improvement activities as described in the WPM, Section 130-10.
- B. The Contractor shall have an adequate number of nutritionists to ensure all high risk participants are screened and counseled and an adequate number of nutrition educators to ensure all priorities of WIC participants are screened, counseled and referred to appropriate services.
- C. The Contractor shall have an adequate number of WIC Nutrition Assistants (WNA) and certified staff (lactation consultants, etc.) to determine participant eligibility, to counsel participants on technical nutrition topics and to counsel participants on breastfeeding and infant feeding issues as described in the WPM, Sections 130-20 and 130-30.

13. Other WIC Services (if funded)

Contractor shall provide any of the Other WIC Services described in paragraph A of this provision, if additional administrative funds are allocated to the Contractor, through the Local Agency Contract Authority to Spend Process (ATS) as specified in Exhibit B, Provision 9, paragraph C and the CMB, Chapter 10. The State shall notify the

Exhibit A

Scope of Work

Contractor in writing of any funds authorized for expenditure as Other WIC Services by providing the Contractor with the "Local Agency Authority to Spend Form". Contractor may not use these funds for any purpose other than those specifically indicated, unless prior written approval is received from the State. If additional funds are required in excess of the Amount Payable for a budget period, then the state will initiate a contract amendment.

A. Other WIC Services include, but are not limited to:

- 1) Infrastructure Improvements
 - a) Customer Service activities which improve and streamline services and improve employee effectiveness and efficiency including participation on committees;
 - b) Nutrition Services and activities to support the participant-centered education and value-enhanced nutrition assessment which increase the quantity and quality of nutrition services in WIC sites, including participation on committees;
- 2) Breastfeeding Promotion and Education activities which create a positive clinic environment that promote breastfeeding and support activities in their community including participation on committees;
- 3) Special projects (such as, Farmers Market Nutrition Program, Food package pilot projects, Breastfeeding Peer Counseling, participation on committees) which are outside the descriptions in paragraphs 1 and 2, but are necessary for the improvement and expansion of the WIC program.

B. Authorization of Other WIC Services shall be subject to the following:

- 1) Reimbursement for travel and per diem are limited to State rates, in accordance with Exhibit D (F), Provision 2 and CMB, Chapter 8.
- 2) The State shall quantify and provide a description of each Other WIC Service to be performed. The State may require the Contractor to submit a written proposal identifying activities including the amount of funding requested and scope of work justification. The first date that costs may be incurred for other services shall be the effective date of the approved Authorization To Spend form.
- 3) The amount of the funds allocated for an Other WIC Service shall be based on an estimation of project costs.
- 4) Contractor agrees to submit any status reports by the required due date stipulated by the State.

Exhibit A
Scope of Work

14. Information Technology and Technical Support Services

The Contractor shall secure local information technology support services and infrastructure to ensure the Contractor can provide the following:

- A. Technical support consistent with a Transmission Control Protocol Internet Protocol (TCP/IP) technical environment;
- B. Support implementation and maintenance of WIC technology activities;
- C. TCP/IP network troubleshooting and timely support for WIC site operations;
- D. Maintenance and support for hardware/software used in WIC operations; and
- E. Proper security of local network systems and WIC data.

These requirements and necessary certifications are further described in the CMB, Chapter 1.

15. Emergency Situation

If the Contractor experiences an emergency situation, as defined in Exhibit F, the Contractor shall notify the State within twenty-four (24) hours and the Contractor shall cooperate with the appropriate agencies (e.g., disaster, etc.) providing relief to ensure services are provided as specified in this Agreement.

Exhibit B
Budget Detail and Payment Provisions

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the budget (s) attached hereto. Invoices submitted by the Contractor and paid by the State shall not be deemed evidence of allowable costs.
- B. Invoices shall include the Agreement Number and shall be submitted as one original invoice not more frequently than monthly in arrears to:
- Department of Health Services
Women, Infants, and Children (WIC) Supplemental Nutrition Branch
Attention: Local Agency Fiscal Unit
3901 Lennane Drive
Sacramento, CA 95834
- C. Invoices shall:
- 1) Include this Agreement number.
 - 2) Bear the Contractor's name as shown on this Agreement.
 - 3) Identify the billing period covered by the invoice.
 - 4) Itemize allowable costs.
 - 5) Be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement.
- D. Original invoices shall be submitted at least once per quarter, but not more frequently than monthly, unless an alternate period has been approved in advance by the State. The invoice shall be submitted in arrears within forty-five (45) days after the end of a quarter (The ending months of the quarters are: December, March, June, and September.) except for the final quarter (September) of a budget period which is defined in Provision 12 of this Exhibit. The invoice shall be submitted to the address stated in Paragraph B of this Provision and using the form provided by the State. The State, at its discretion, may designate an alternate invoice submission address and this change shall not require an amendment.
- E. Upon request by the State, the Contractor shall submit a detailed invoice showing the spending for any approved Other WIC Service as defined in Exhibit F of this Agreement and described in Exhibit A, Provision 13 of this Agreement. The detailed invoice shall be submitted with the next original invoice as described in Paragraph B of this Provision. Prospective and advance payments may be provided subject to Provision 15 of this Exhibit.

Exhibit B
Budget Detail and Payment Provisions

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.
- C. If sufficient federal funds are not allocated to carry out the WIC program, the State may, upon thirty (30) calendar days advance notice, void the Agreement or reduce the maximum amount payable displayed in Provision 4, entitled "Amounts Payable", of this exhibit. Upon receipt of such notification, Contractor agrees to not claim reimbursement for costs in excess of the adjusted maximum amount payable. Contractor's budget and Scope of Work will be renegotiated with the Contractor.
- D. The State and Contractor mutually agree that if the governing federal agency do not allocate sufficient federal funds to carry out the WIC program, the State may, upon thirty (30) calendar days advance notice, have the option to either cancel this Agreement or reduce any authorized funding amount. If the State cancels the Agreement and/or reduces the authorized funding amount, the Contractor shall not claim reimbursement for and the State shall not reimburse allowable costs in excess of the remaining or adjusted authorized amount. The reduction of the authorized amount shall not require an amendment to this Agreement.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

Exhibit B
Budget Detail and Payment Provisions

4. Amounts Payable

- A. The amounts payable under this Agreement shall not exceed:
- 1) \$X,XXX,XXX for the budget period of October 1, 2005 through September 30, 2006.
 - 2) \$X,XXX,XXX for the budget period of October 1, 2006 through September 30, 2007.
 - 3) \$X,XXX,XXX for the budget period of October 1, 2007 through September 30, 2008.
- B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.
- C. The Contractor must maintain records reflecting actual expenditures for each state fiscal year covered by the term of this Agreement.

5. Timely Submission of Final Invoice

- A. A final undisputed invoice shall be submitted for payment no more than one hundred fifty (150) calendar days following the expiration or termination date, of this Agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of the State under this Agreement have ceased and that no further payments are due or outstanding.
- B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date, of this Agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit G)**" acknowledging submission of the final invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this Agreement.
- D. A final DHS 4101 shall be submitted with the final invoice for payment within one hundred fifty (150) calendar days following the expiration or termination date of this Agreement, unless an alternate deadline is agreed to in writing by the State. Obligation of costs shall be made no later than the effective expiration or termination date of this Agreement. The State reserves the right to deny payment of the "Final Invoice" if it has not received an accurate and complete DHS 4101 within the seventy-

Exhibit B
Budget Detail and Payment Provisions

five (75) calendar days or the alternate agreed upon deadline following the expiration or termination date of this Agreement.

6. Allowable Line Item Shifts

- A. Subject to the prior review and approval of the State, line item shifts of up to fifteen percent (15%) of the annual contract total, not to exceed a maximum of one hundred thousand (\$100,000) annually are allowed, so long as the annual Agreement total neither increases nor decreases.

The \$100,000 maximum limit shall be assessed annually and automatically adjusted by the State in accordance with cost-of-living indexes. Said adjustments shall not require a formal Agreement amendment. The State shall annually inform the Contractor in writing of the adjusted maximum.

- B. Line item shifts meeting this criteria shall not require a formal Agreement amendment
- C. The Contractor shall adhere to State requirements regarding the process to follow in requesting approval to make line item shifts.
- D. Line item shifts may be proposed/requested by either the State or the Contractor.
- E. Upon the execution of an amendment to this Agreement within the same budget period, the Contractor may submit new additional line item shifts under the same provisions as stated in this Provision.
- F. The Contractor's authorized funding shall be subject to those line items specified and described in the CMB, Chapter 11 and the Health and Safety Code section 38077.

7. Expense Allowability / Fiscal Documentation

This provision supplements the requirements outlined in Exhibit D (F), Provision 7 and Provision 8, the Contractor agrees to the following:

- A. Contractor shall maintain and have available, upon the State's request, for review and audit, all records pertaining to: financial operations; food check receipt and issuance; equipment purchases and inventory; eligibility/ineligibility certifications; nutrition education; complaints of discrimination; requests for fair hearing; and other program-related matters.
- B. Adequate documentation for each expenditure subject to this Agreement shall be maintained to permit the determination of the allowability of each expenditure reimbursed by the State under this Agreement. If the State cannot

Exhibit B
Budget Detail and Payment Provisions

determine if an expenditure is allowable under the terms of this Agreement because records or documentation of the Contractor are nonexistent or inadequate according to generally accepted accounting principles, the State shall disallow the expenditure. In the event of findings of disallowed costs, the Contractor has the right to appeal such findings within thirty (30) days of notification of such findings. A designee of the Director of the State Department of Health Services shall hear such appeals, as described in the CMB, Chapter 13.

- C. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable travel and per diem expenses and required documentation, refer to the CMB, Chapter 8.
- D. Costs and/or expenses deemed unallowable are subject to recovery by the State. See Provision 8 of this exhibit.

8. Recovery of Overpayments

- A. Contractor agrees that the State shall recover overpayments arising from this Agreement based on audit findings issued by the State. The State shall send a demand letter to the Contractor identifying the audit finding and requesting repayment. The overpayment will be recovered by the State by one of the following options:
 - 1) Contractor's remittance to the State of the full amount of the audit exception within thirty (30) calendar days following the State's request for repayment.
 - 2) A repayment schedule that is agreed to by the State and the Contractor. The repayment schedule shall require monthly payments by the Contractor or offsets by the State with a term no longer than the remainder of the contract period in this Agreement. Failure by the Contractor to pay any amount due on the repayment schedule by the due date shall result in the cancellation by the State of the repayment schedule and the authority of the State to recover the remainder of the overpayment according to Paragraph 1 of this Provision.
 - 3) The State may offset the amount of the audit finding, by reducing any outstanding invoice from the Contractor by that amount.
- B. The State reserves the right to determine which option for repayment will be employed and the Contractor will be notified by the State, in writing, of the option to be utilized.
- C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination

Exhibit B

Budget Detail and Payment Provisions

finding is mailed to the Contractor, beginning 30 days after the Contractor's receipt of the State's demand for repayment.

- D. If Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from Contractor's first receipt of notice requesting reimbursement of questioned audit costs or disallowed expenses.

9. Funding

- A. Authorized Caseload funding is determined by the WIC funding formula according to provisions set forth in Title Seven of the Code of Federal Regulations (CFR), Section 246.16 (D)(2) and in the WPM. The State will specify the allocated funding amount(s) to the Contractor via a Local Agency Award Letter prior to the beginning of each budget period described in Provision 4, paragraph A and any additional time(s) additional funding is allocated or reduced within a budget period. The allocation of additional funds shall not require an amendment to this Agreement unless the amount payable for any budget period is increased or the total Agreement amount is altered.
- B. Amounts payable under this Agreement and not awarded for authorized caseload are available for Other WIC Services, as defined in Exhibit F, upon authorization by the State through the Authority to Spend (ATS) process as defined in Exhibit F of this Agreement and described in the CMB, Chapter 10. The Contractor has immediate authority to spend authorized caseload funding upon receipt of the Local Agency Award Letter.
- C. The State shall grant approval to expend funds for Other WIC Services by providing the Contractor with the "Local Agency Authority to Spend" form specifying the amount of funds and quantifying the services to be performed. If the Contractor expends funds prior to or without authorization from the State, sanctions may be placed on the Contractor. The sanctions include, but are not limited to, payment denial or withhold as specified in Provision 10 of this Exhibit, recovery of the overpayment as an audit finding as defined in Exhibit F, reimbursement of the overspent funds by the Contractor, and/or immediate termination of this Agreement.

10. Payment Denial or Withhold

- A. This provision supplements Exhibit D (F), Special Terms and Conditions, Provision 22, entitled "Payment Withholds".
- B. The State reserves the right to deny or withhold payment of any outstanding invoice for any one or combination of the following:

Exhibit B
Budget Detail and Payment Provisions

- 1) Expenditures in excess of any budgeted line item amounts, in excess of authorized amounts and/or shifts of amounts from one line item budget to another unless allowable as provided in Provision 6 of this Exhibit;
- 2) Contractor's failure to provide required timely, accurate, and/or complete reports (e.g., Nutrition Services Plan), materials, and documents;
- 3) Purchases of five thousand (\$5,000) or more, unless Contractor obtained prior State approval, and has complied with procurement guidelines outlined in Exhibit D (F), Provision 3 and Provision 4;
- 4) Major equipment and minor equipment expenditures, unless Contractor submits a completed form as required by the State and has complied with the requirements described in Exhibit E, Provision 12, with the invoice requesting reimbursement for these items.
- 5) Failure to Liquidate prospective and/or advance payments, in accordance to the requirements in Provision 15 of this Exhibit;
- 6) Failure to submit an accurate and complete DHS 4101 for the affected budget period as required in Provision 14 of this Exhibit;
- 7) Failure to comply with Time Study Requirements outlined in Provision 13 of this Exhibit;
- 8) Failure to submit an accurate and complete inventory of all equipment, as defined in Exhibit D (F), Provisions 3 and 4, and submitted on the form designated by the State;
- 9) Failure to provide a detailed invoice for an Other WIC Services as required in Provision 1, Paragraph E of this Exhibit, at the request of the State. Such failure will result in the reduction of the authorized amount;
- 10) An audit finding resulting in a claim or failure of the Contractor to obtain prior written State approval of a change to the Scope of Work as required in Exhibit A, Provision 5; or
- 11) Failure to comply with the requirements of OMB Circular A133.

Exhibit B
Budget Detail and Payment Provisions

11. Charges / Reductions for Noncompliance

- A. The State may recover up to eighteen percent (18%) of the annual authorized funds for a budget period of this Agreement for any of the following:
- 1) Failure to expend, document and report the required minimum of one sixth (1/6) of authorized funds each budget period of this Agreement on nutrition education services in accordance with the CMB, Chapter 1.
 - 2) Failure to expend, document and report the required minimum amount of the total contract expenditures per pregnant and/or breastfeeding participants in accordance with the CMB, Chapter 1.

12. Final Invoice of a Budget Period

The final invoice of a budget period shall be submitted prior to one hundred fifty (150) days following the end of the budget period. If a final invoice is not received by this date, the last original invoice received from the Contractor shall be considered the final invoice even if not stamped with the words "Final Invoice". The State reserves the right to deny payment of the final invoice if it is received after the due date.

13. Time Study

Contractor shall, in each budget period of this Agreement, complete a time study, as defined in Exhibit F, either one week a month or one month a quarter during a budget period or as stipulated in the CMB, Chapter 12.

14. Report of Actual Expenditure (DHS 4101)

- A. A Report of Actual Expenditure (DHS 4101), as described in the CMB, Chapter 12 shall be submitted within seventy-five (75) calendar days following September 30 of each budget period. The DHS 4101 shall be based on actual expenditures, unliquidated obligations and the time study initiated and completed by the Contractor for that budget period. If a revision to the DHS 4101 is necessary it shall be submitted to the State by March 1st of the year following the end of the budget period.
- B. A list of all unliquidated obligations shall be submitted to the State with the DHS 4101 within seventy-five (75) calendar days following September 30 of each budget period. As the unliquidated obligations are liquidated an invoice may be submitted to the State for payment. All unliquidated obligations shall be liquidated by the submission of the "Final Invoice" as stated in Provision 12 of this Exhibit.

Exhibit B
Budget Detail and Payment Provisions

15. Prospective and Advance Payments

The State, upon determination that a prospective and/or an advance payment is essential for the effective implementation of the WIC program, may provide a prospective and/or an advance payment to the Contractor based on this Agreement subject to the requirements in this Provision, the CMB, Chapter 5, and the requirements in Health and Safety Code Section 38080 (prospective payment before the effective date of this Agreement) and Section 100350 (Advanced payment after the effective date of this Agreement). All requests for payments must be in writing and be accompanied by proof of liability insurance, as described in Exhibit E, Provision 5.

- A. Requirements for Obtaining Prospective Payment Prior to the Execution of this Agreement (Health and Safety Code Section 38080)
- 1) The Contractor may be either local government or private nonprofit agency.
 - 2) Contractor may request a prospective payment from the State as described in the CMB, Chapter 5.
 - 3) The Contractor may request a prospective payment up to 1/12th per month of the Maximum Amount Payable for the first budget period. The total amount of prospective payments shall not exceed 25% of the total of the first budget period of the Agreement.
- B. Requirements for Obtaining Advance Payment After the Execution of this Agreement (Health and Safety Code Section 100350)
- 1) Contractor must be a private nonprofit agency.
 - 2) Payments may be made no earlier than the effective date of this Agreement and/or October 1 of each budget period.
 - 3) Contractor shall request an advance payment in writing as described in the CMB, Chapter 5, and shall demonstrate to the satisfaction of the State that it is a small community-based non-profit agency with modest reserves and cash flow problems.
 - 4) The total contract amount for the yearly budget period for which the advance payment is requested must be less than \$200,000.
 - 5) The Contractor shall maintain insurance coverage as described below, as well as the insurance required in Exhibit E, Provision 5. The Contractor shall present documentation to the State of the coverage and that the insurance coverage is in effect. Contractor

Exhibit B
Budget Detail and Payment Provisions

agrees that until the advance payment has been liquidated,
Contractor shall maintain the following insurance:

- a) Advance payment fidelity bonding, payable to the State, in the amount of the advance.
- b) Malpractice insurance (if direct medical services are provided), payable to the State, in the amount of the advance.
- c) Adequate insurance on any materials, parts, supplies, equipment, and other property acquired for or allocated to this Agreement with State provided funds.

C. Requirements for Use of Prospective and Advance Payment Funds

- 1) The funds provided from any payment described in this provision, shall be used solely for payments of allowable costs incurred to fulfill the provisions of the prospective or executed Agreement.
- 2) Payments requested must be deposited into a separate interest-bearing bank account where the payment funds and all other payments under this Agreement shall be maintained. The State and the Contractor shall mutually agree upon the bank. No part of the funds in the separate bank account shall be mingled with other funds of the Contractor not obtained through this Agreement. Each withdrawal from the account shall be made only by the Contractor's check for allowable costs in providing WIC services. The payment funds and all other payments under this Agreement shall be made by check, payable to the Contractor, and shall be marked "For Deposit Only" until the payment is repaid by the Contractor.
- 3) All interest earned in the Contractor's account shall be reported by the Contractor and returned to the State within fifteen (15) working days following the Contractor's receipt of the final payment for the budget period to the address provided in the Local Agency Award Letter. Each check or warrant returning interest earned shall be made payable to the Department of Health Services-WIC, and must have the following information clearly written on the face of the check or warrant:

"INTEREST EARNED ON WIC PROSPECTIVE or ADVANCE
PAYMENT ACCOUNT"

The Agreement number (e.g., 02-12345) of this Agreement must also be clearly indicated on the check or warrant returning interest earned to the State.

Exhibit B
Budget Detail and Payment Provisions

D. Contractor's Liquidation of Prospective and/or Advance Payments

- 1) Any prospective or advance payment issued under this Agreement shall be repaid or offset by the Contractor no later than during the last two months immediately preceding the last month of the budget period of this Agreement (ending September 30) for which the advance payment was made. The Contractor shall make the payment or offset the payment by reducing each invoice amount for the last two months of the budget period by fifty percent (50%) of the advance payment amount still unpaid. The Contractor may request an alternate liquidation schedule, subject to approval in writing by the State.
- 2) The State may demand full repayment of the unliquidated balance of the prospective or advance payment at any time. Upon receipt of a demand by the State, the Contractor shall repay to the State the unliquidated balance of the prospective or advance payment amount by the due date stated in the demand.
- 3) The State, without prior notice to the Contractor, may liquidate the unliquidated balance by offsetting the amount from any outstanding invoice or from any other sums which may become due to the Contractor from the State.

E. Events of Default

The State, without limiting any rights which it may otherwise have, may, at its discretion, and upon written notice to the Contractor, withhold further payments under this Agreement or demand immediate repayment of the unliquidated balance of the prospective and/or advance payment hereunder, upon occurrence of any one of the following events:

- a) Termination of this Agreement by the State.
- b) A finding by the State that the Contractor:
 - 1) Has failed to observe any of the covenants, conditions, or warrants of these provisions, or has failed to comply with any material provisions of this Agreement.
 - 2) Has failed to make progress or is in such unsatisfactory financial condition as to endanger performance of this Agreement.
 - 3) Has allocated inventory to this Agreement substantially exceeding reasonable requirements.

Exhibit B

Budget Detail and Payment Provisions

- 4) Is delinquent in payment of taxes or of the cost of performance of this Agreement in the ordinary course of business.
- 5) Appointment of a trustee, receiver, or liquidator for all or a substantial part of the Contractor's property, or institution of bankruptcy, reorganization, or arrangement of liquidation proceedings by or against the Contractor.
- 6) Service of any writ of attachment, levy or execution, or commencement of garnishment proceedings.
- 7) The commission of an act of bankruptcy.

Exhibit B, Attachment I

Budget
Year 1
10/1/2005 through 09/30/06

<u>Line Items</u>	<u>Amount Per Line Item</u>
1. Personnel	\$0
2. Operating Expenses	\$0
3. Capital Expenditures	\$0
4. Other Costs	\$0
5. Indirect Costs	\$0
(Maximum 10% of Total Salaries & Wages, excluding Total Fringe Benefits)	
Total	\$0

SAMPLE CONTRACT

Exhibit B, Attachment II

Budget
Year 2
10/1/2006 through 09/30/07

Line Items	Amount Per Line Item
1. Personnel	\$0
2. Operating Expenses	\$0
3. Capital Expenditures	\$0
4. Other Costs	\$0
5. Indirect Costs	\$0
(Maximum 10% of Total Salaries & Wages, excluding Total Fringe Benefits)	
Total	\$0

SAMPLE CONTRACT

Exhibit B, Attachment III

Budget
Year 3
10/1/2007 through 09/30/08

Line Items	Amount Per Line Item
1. Personnel	\$0
2. Operating Expenses	\$0
3. Capital Expenditures	\$0
4. Other Costs	\$0
5. Indirect Costs	\$0
(Maximum 10% of Total Salaries & Wages, excluding Total Fringe Benefits)	
Total	\$0

SAMPLE CONTRACT

Exhibit C
GENERAL TERMS AND CONDITIONS
GTC 304 (03/01/04)

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

Exhibit C
GENERAL TERMS AND CONDITIONS
GTC 304 (03/01/04)

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 304 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

Exhibit C
GENERAL TERMS AND CONDITIONS
GTC 304 (03/01/04)

1). "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2). "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: "For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a). The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."

Exhibit C
GENERAL TERMS AND CONDITIONS
GTC 304 (03/01/04)

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. UNION ACTIVITIES For all contracts, except fixed price contracts of \$50,000 or less, the Contractor acknowledges that:

By signing this agreement Contractor hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this agreement and agrees to the following:

a) Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.

b) No state funds received under this agreement will be used to assist, promote or deter union organizing.

c) Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.

d) If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

Exhibit E

Additional Provisions

1. Additional Incorporated Documents

The following documents and any subsequent updates are not attached, but are incorporated herein and made a part hereof by this reference. These documents may be updated periodically by the State, as required by program directives. The State shall provide the Contractor with copies of said documents and any periodic updates thereto, under separate cover. The State will maintain on file, all documents referenced herein and any subsequent updates.

- A. Women, Infants, and Children (WIC) Program Manual (WPM), dated June 1, 1988, all updates issued as of the effective date of this Agreement, and any subsequent updates. This manual will be updated periodically by the State, as required by program and/or federal directives;
- B. Completed "Funding Application", which includes all exhibits/attachments, signed by the Contractor;
- C. Contract Management Binder (CMB), dated August 1, 2005, updates issued as of the effective date of this Agreement, and any subsequent updates; and
- D. Any written directive(s) and/or instruction(s) issued by the WIC Branch to the Contractor (e.g., a revision to the WPM via a letter to the Contractor).

2. Contract Amendments

Should either party, during the term of this Agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official Agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

3. Cancellation / Termination

- A. Notwithstanding Provision 9 of Exhibit D (F), the State may cancel/terminate this Agreement by giving the Contractor a sixty (60) day advance written notice via a certified letter to the Agency Director. Notification shall state:
 - 1) Any final performance instruction/requirements,
 - 2) Payment/invoicing instructions/requirements,
 - 3) The effective date of the cancellation/termination,
 - 4) The reasons for the cancellation/termination, and,
 - 5) Except in cases of contract expiration, notification of appeal rights.

Exhibit E

Additional Provisions

- B. Upon receipt of a notice of termination or cancellation from the State, Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent contract costs.
- C. Contractor shall be entitled to payment for all allowable costs authorized under this Agreement, including authorized non-cancelable obligations incurred up to the date of cancellation/termination, provided such expenses do not exceed the stated authorized amounts payable and provided that the Contractor complies with subparagraph E 6) of this Provision.
- D. The Contractor may terminate this Agreement by giving the State a ninety (90) day advance written notice via certified letter to the Chief, WIC Branch.
- E. Responsibilities Upon Cancellation/Termination or Non-Renewal by either party, or as otherwise directed by the State. The Contractor shall:
- 1) Cooperate in all efforts to refer WIC participants to other local WIC agencies in order to maintain continuity of participation in the WIC program;
 - 2) Place no further orders or subcontracts for equipment, minor-equipment, supplies, and services;
 - 3) Satisfy all outstanding liabilities and all claims arising out of termination of any orders and subcontracts arising from this Agreement;
 - 4) Upon payment by the State of all items properly chargeable to the State hereunder, less any amount deducted to satisfy claims, liabilities, contractual overpayments or audit findings, the Contractor shall transfer, assign and make available to the State all funds, property and materials belonging to the State. No extra compensation is to be paid to the Contractor for its services in connection with any such transfer of equipment;
 - 5) Take the necessary steps or actions, and except as otherwise directed by the State, to protect and preserve any property related to this Agreement which is in the possession of the Contractor; and
 - 6) Contractor shall submit to the State, upon cancellation/termination of this Agreement, an accurate and complete "Report of Actual Expenditures" (DHS 4101) and the final invoice no later than seventy-five (75) days following the effective date of the cancellation/termination, as further defined in Exhibit B, Provision 14.

4. Avoidance of Conflicts of Interest by Contractor

- A. The Contractor shall ensure that no conflict of interest exists between the Contractor and any vendor authorized to participate in the WIC Program. If the Contractor is aware of any circumstances that may constitute a conflict of interest between itself and a vendor authorized to participate in the WIC Program, the

Exhibit E

Additional Provisions

Contractor shall immediately notify the State in writing, outlining the potential conflict and any proposed action.

- B. The Contractor shall comply with all conflict of interest rules in the WIC federal statutes, WIC federal regulations, WIC state statutes, WIC state regulations and the WIC Program Manual, as defined in Exhibit F.
- C. Any costs (including legal costs) incurred as a result of a conflict of interest determined by the court or by the State shall be the responsibility of the Contractor.

5. Insurance Requirements

Contractor shall comply with the following insurance requirements:

A. Commercial General Liability

The Contractor must furnish to DHS a certificate of insurance stating that commercial general liability insurance of not less than one million (\$1,000,000) per occurrence for bodily injury and property damage liability combined is presently in effect for the Contractor. The commercial general liability insurance policy shall include coverage, including coverage for legal fees, for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, tort liability, and liability assumed under an insured agreement. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

- B. The certificate of insurance must be issued by an insurance company acceptable to the Department of General Services (DGS), Office of Risk and Insurance Management or be provided through partial or total self-insurance acceptable to DGS.

- C. The certificate of insurance must include the following provisions:

- 1) The insurer will not cancel the insured's coverage without giving thirty (30) days prior written notice to the California Department of Health Services, and
- 2) The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State of California under this Agreement.

- D. The Contractor agrees that the insurance required herein will remain in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, the Contractor agrees to provide, at least thirty (30) calendar days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for

Exhibit E

Additional Provisions

herein for not less than the remainder of the term of this Agreement or for a period of not less than one year. New certificates of insurance are subject to the approval of DGS, and the Contractor agrees that no work or services shall be performed prior to such approval. The State may, in addition to any other remedies it may have, terminate this Agreement on the occurrence of such event.

- E. The State will not be responsible for any premiums, deductibles, or assessments on the insurance policy.

6. Freeze Exemptions

(Applicable only to local government agencies)

- A. Contractor agrees that any hiring freeze adopted during the term of this Agreement shall not be applied to the positions funded, in whole or part, by this Agreement.
- B. Contractor agrees not to implement any personnel policy, which may adversely affect performance or the positions funded, in whole or part, by this Agreement.
- C. Contractor agrees that any travel freeze or travel limitation policy adopted during the term of this Agreement shall not restrict travel funded, in whole or part, by this Agreement.
- D. Contractor agrees that any purchasing freeze or purchase limitation policy adopted during the term of this Agreement shall not restrict or limit purchases funded, in whole or part, by this Agreement.

7. Order of Precedence

If there are inconsistencies between the terms of this Agreement and the attachments hereto, such inconsistencies shall be resolved by giving precedence to the provisions in documents in the following order:

- A. Standard Agreement (STD. 213);
- B. Exhibit A – Scope of Work;
- C. Exhibit B – Budget Detail and Payment Provisions;
- D. Exhibit D(F) – Special Terms and Conditions;
- E. Exhibit E – Additional Provisions;
- F. Exhibit F – Glossary of Terms and Definitions;
- G. The following two documents:

Exhibit E

Additional Provisions

- 1) WPM, dated May 25, 1999 updates issued as of the effective date of this Agreement; and any subsequent updates; and
 - 2) CMB issued August 1, 2005, updates issued as of the effective date of this Agreement, and any subsequent updates. The determination of precedence of these two documents shall be based on the most current provisions and/or updates;
- H. WIC Supplemental Nutrition Program “Funding Application” with all exhibits and attachments;
- I. Renewal Funding Award Letter For FFY 2006-2008, and subsequent award letters, with all enclosures, and attachments; and
- J. “Local Agency Award Letters” and “Local Agency Authority To Spend” form, the authorization Letter, and subsequent authorizations, with all enclosures, and attachments.

8. Probation

- A. Probation is a trial period to ensure that the Contractor has the ability to meet the requirements necessary to operate the WIC Program as described in this Agreement. The State shall determine the length of the probation period and notify the Contractor of the beginning and ending dates. Within 30 days of the end of the probation period, the State shall notify the Contractor if the contract will be renewed. The State may determine not to renew the contract if the Contractor has not demonstrated to the satisfaction of the State its ability to resolve the conditions of probation as notified according to paragraph B of this Provision or the State has determined that the Contractor has not demonstrated its ability to operate the WIC program as described in Exhibit A, in an efficient and appropriate manner.
- B. The State may place an existing Contractor on probation upon written notification if the State has serious concerns about:
- 1) The Contractor’s financial viability, which affects the Contractor’s ability to sustain WIC services to its authorized caseload. Examples include, but not limited to, an Office of Management and Budget (OMB) Circular A-133 audit report indicating serious financial concerns, failure to submit a required A-133 report, and audit information that the Contractor is not a “going concern”; and
 - 2) The Contractor’s ability to operate the WIC program as described in Exhibit A. Example includes, but is not limited to, the failure to resolve ongoing findings in any audit report or review (i.e., Program Evaluation, A-133 Audit, or State Controllers Office (SCO) fiscal review).

Exhibit E

Additional Provisions

- C. The State shall place a new contractor entering into an agreement with the WIC program that has never had an Agreement or has not had an agreement with the WIC program for more than three consecutive years, shall be considered on probation for the first year of this Agreement. Probation may be extended beyond a year dependent upon performance of Scope of Work and audits.
- 1) The probation period is necessary to ensure the Contractor's ability to operate the WIC program, as described in Exhibit A, in an efficient and appropriate manner.
 - 2) The probation period will include an evaluation of, but is not limited to, operations, scope of work, fiscal viability, and caseload levels.
 - 3) If the probation period is completed successfully, the State may elect, at its sole discretion and with the approval of the Contractor, to expressly extend this Agreement, pursuant to the terms and conditions of this Agreement, for up to twenty-four (24) months from the probation termination date. If the probation period is not completed successfully, and the Contractor does not demonstrate the ability to operate the WIC program, as described in Exhibit A, in an efficient and appropriate manner, the State may terminate this Agreement or decide not to enter into a new Agreement with the Contractor at the end of the probationary period.
- D. The State shall notify the Contractor, in writing, thirty (30) days prior to the end of the probation period, what the outcome of the probation is and if any further action is required.

9. Notice

- A. Any notice, request, demand, consent, waiver, or other item required or permitted by the State under this Agreement must be in writing and shall be deemed duly given or made only if provided by one of the following methods:
- 1) If personally served upon the party intended to receive it, in which case it is effective when delivered;
 - 2) If sent by certified mail, return receipt requested, postage prepaid, addressed to the party set forth in Exhibit A, Provision 4, in which case it is effective upon receipt by any person residing at such address;
 - 3) If sent by Facsimile (but only to the "FAX" number set forth in Exhibit A, Provision 4), with a copy sent on the same date by certified mail, postage prepaid, addressed to the party set forth in Exhibit A, Provision 4, in which case it is effective as of the date of mailing. The fax must be confirmed by a telephone call to the WIC Chief's Secretary ((916) 928-8806) on the date the fax is sent to the WIC fax number.

Exhibit E

Additional Provisions

10. Provision of Information

- A. Contractor shall provide the State with any information requested pursuant to Contractor's performance under this Agreement no later than twenty-one (21) calendar days after receipt of the State's written request unless otherwise specifically stated in this Agreement.
- B. Contractor shall submit reports, documents, and correspondence as described in Provision 9 of this Exhibit.
- C. All authorized State control agencies shall have access to all internal and external reports and documents provided by the Contractor in the operation and administration of this Agreement. The State shall have the right to monitor all aspects of the Contractor's performance.

11. Civil Rights

Including Exhibit D (F), Provision 1 and Exhibit C, Provision 10, Contractor shall comply with the following provisions:

- A. Contractor hereby agrees that no participants it serves shall, on the basis of the following six categories (e.g., race, color, national origin, sex, age, disability) be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in the course of receiving benefits from the WIC Program. To that effect, the Contractor agrees to comply with the following: Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.); Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); all provisions required by the implementing regulations of USDA; Federal Department of Justice Enforcement Guidelines, 28 CFR 50.3 and 42; and USDA, Food and Nutrition Service (FNS) directives and guidelines. Contractor, by signing this Agreement, hereby gives assurance to the State that the Contractor shall immediately take measures necessary to effectuate these laws, regulations and directives. Contractor shall notify participants that persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD), or the California Department of Health Services at 1-800-735-2929 (TDD only), or 1-800-735-2922 (a voice relay service that permits a TDD user to contact an operator who connects the caller with another TDD user).
- B. To file a complaint of discrimination, Contractor may write to USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C., 20250-9410 or call (202) 720-5964 (voice and TDD).
- C. By giving this assurance, Contractor agrees to compile data, maintain records, and submit reports, as required, to permit effective enforcement of the nondiscrimination laws, and to permit authorized FNS personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance with the nondiscrimination laws.

Exhibit E

Additional Provisions

- D. If there are any violations of this assurance, FNS shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Contractor, her/his successors, transferees, and assignees, as long as they receive assistance or retain possession of any financial assistance from the State for the WIC Program. The person or persons whose signatures appear on the face of this Agreement are authorized to sign this assurance on behalf of the Contractor.

12. Equipment

This provision supplements Exhibit D (F), Provisions 3, and 4, the Contractor shall comply with the following provisions:

- A. Contractor shall purchase, with funds from this Agreement, only equipment and minor equipment necessary to fulfill the terms of this Agreement.
- B. Contractor shall complete the form specified by the State, itemizing newly procured or State-furnished equipment and minor equipment. For items procured by the Contractor, the state required form shall be submitted with the monthly invoice requesting reimbursement for these items. For items furnished by the State, Contractor shall submit the required form specified by the State upon receipt of these items, or with copies of the purchase documents provided by the State.
- C. Contractor shall annually submit to the State on a form specified by the State, an updated inventory by the due date specified in the written notification by the State. Such updates to the inventory shall not require an amendment to this Agreement.
- D. Contractor shall repair or replace, at no cost to the State, any equipment or minor equipment purchased or provided by the State under the terms of this Agreement, if damaged while in the possession of the Contractor. Contractor shall also be required to replace lost or stolen equipment or minor equipment that was purchased or provided by the State under the terms of this Agreement, at no cost to the State, with comparable equipment or minor equipment. Said replacements shall be the property of the State. The State, at its sole discretion, may waive the requirement to replace the equipment, considering the original purchase date, current value of the item(s), and/or availability of insurance on the item(s).
- E. Contractor shall request permission to delete any item from the inventory according to the procedure in the CMB, Chapter 9.

13. No Smoking

This provision supplements Provision 20, Smoke-Free Workplace Certification, of the Exhibit D (F), the Contractor shall comply with the following provisions:

- A. Contractor shall ensure that smoking is not allowed in any space occupied by the WIC program. "No Smoking" signs shall be prominently displayed during all WIC operating hours in any area where WIC services are provided.

Exhibit E

Additional Provisions

- B. Contractor shall enforce this provision at all WIC sites, permanent and temporary, and correct noncompliance immediately. If Contractor is found to be out of compliance, the State shall withhold all budgeted funds from the Contractor by ceasing the payment of Contractor's invoices until Contractor complies with this provision.

14. Single Annual Audit (A133) Delivery Address

This provision supplements Exhibit D (F), Provision 16, subparagraph d.

- A. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year. Three copies of the audit report shall be delivered to the following address:

DHS Primary Care and Family Health Division
Maternal, Child and Adolescent Health Branch
Attention: Audit Coordinator
1615 Capitol Avenue, MS 8305
P.O. Box 997420
Sacramento, CA 95899-7420

- B. The report shall be due within thirty (30) days after the completion of the audit. The single audit delivery address may be changed, as directed by the State, without an amendment to this Agreement.

15. Compliance with Rules and Regulations

The Contractor shall comply with all applicable federal and state statutes, regulations, guidelines, policies; and all fiscal, administrative and operational requirements pursuant to the provisions as referenced in the CMB, and as follows:

- A. Applicable federal laws and regulations, including:

- 1) WIC Program Federal Statutes and WIC Program Federal Regulations, as defined in Exhibit F;
- 2) Farmers' Market Nutrition Program (FMNP) Federal Statutes, and FMNP Federal Regulations, as defined in Exhibit F;
- 3) Title 7, Code of Federal Regulations (CFR), Part 3016; Uniform Federal Assistance Regulations, that implements the policies established by Office of Management and Budget (OMB);
- 4) US Department of Agriculture (USDA), Food and Nutrition Services (FNS) guidelines and instructions; and
- 5) Administrative requirements and cost principles set forth in Office of Management and Budget (OMB) Circulars.

Exhibit E
Additional Provisions

B. Applicable State laws and regulations, including:

- 1) Cooperative Agreement Act, Health and Safety Code (H&S), Section 38070 et seq.;
- 2) WIC Program State Statutes and WIC Program State Regulations, as defined in Exhibit F;
- 3) FMNP State Statutes, as defined in Exhibit F, and WIC Program Manual (WPM), Food Delivery System Section; and
- 4) Lactation Accommodation Law; California Labor Code: Division 2, Part 3, Chapter 3.8, Sections 1030-1033.

C. Applicable departmental and program administrative rules, policies, and processes, including:

- 1) Instructions set forth in the WPM, and any subsequent updates. The State shall provide the Contractor with a copy of the WPM and periodic updates thereto;
- 2) Instructions set forth in the WIC Contract Management Binder (CMB), and any subsequent updates. The State shall provide the Contractor with a copy of the CMB binder and periodic updates thereto; and
- 3) Any written directive(s) and/or instruction(s) issued by the State to the Contractor, (e.g., a change in policy via communication letter i.e., letter, fax, email, internet referral to the Contractor.

Exhibit F

Glossary of Terms and Definitions

As used in this Agreement, the following definitions shall apply:

1. **Adjusted Maximum Line Item Shift Limit** – The maximum allowable amount for a line item shift. The State adjusts this amount annually based on the consumer price index.
2. **Administrative Services Cost Category** – All costs (direct or indirect) generally considered to be overhead or management costs. General management costs include those costs associated with program monitoring, prevention of fraud, general oversight and food check accountability.
3. **Agreement/Contract** – An enforceable written document between two or more competent parties with the elements of the agreement being: offer, acceptance, consideration, and compliance with all applicable terms and conditions.
4. **Allowable Cost Payment System** – Eligible costs incurred to carry out the WIC program, as further defined in the Cooperative Agreement Act, Health and Safety Code Section 38077 and the CMB, Chapter 4.
5. **Audit Finding(s)** – The conclusions reached by a State or Federal review of a local WIC agency's financial management records, as further defined in the CMB, Chapter 13.
6. **Authority to Spend Funds Process** – WIC Branch process that appropriates funding to local WIC agencies, based on WIC Branch/local WIC agencies need(s), approves and authorizes funds to perform various Other WIC Services.
7. **Authorized Caseload/Caseload** – The number of participants per month a local WIC agency must serve and is the basis for the authorized caseload funding.
8. **Authorized Caseload Funding** – The dollar amount given to a local WIC agency to provide WIC services to participants based on the WIC funding formula according to provisions set forth in Title 7 of the Code of Federal Regulations (CFR), Section 246.16 (D) (2) and in the WPM.
9. **Authorized Funding Amount** – The combination of the authorized caseload funding and Other WIC Services funding which is the amount that a local WIC agency is authorized to spend to provide WIC services.
10. **Breastfeeding Cost Category** – All costs (direct and indirect) expended for breastfeeding promotion and support.
11. **Breastfeeding Promotion and Support** – Strategies, initiatives, and services to increase and advance the initiation and continuation of breastfeeding among WIC participants.
12. **Budget Period Detail** – Source documentation supporting invoiced costs.
13. **Client Services Cost Category** – All costs (direct and indirect) expended to deliver food and other client services and benefits.
14. **Contract** – See definition of Agreement.
15. **Contractor** – The local WIC agency that enters into this Agreement with the State.

Exhibit F
Glossary of Terms and Definitions

16. Correspondence – Written communication to local WIC agencies (e.g., award letter, authorization letter, email, fax) concerning program operations, policies and procedures, funding, and reporting.
17. Emergency Situation – An event (e.g., earthquake, fire, labor disputes, etc.) which seriously limits or renders impossible the Contractor's ability to provide timely performance of any or all of the services outlined in this Agreement.
18. Federal Cost Categories – The four categories of costs necessary to operate the WIC program. The categories are: Administrative Services, Breastfeeding, Client Services, and Nutrition Education.
19. FMNP Program – The Farmers' Market Nutrition Program (FMNP), a federally-funded and regulated program that provides resources in the form of fresh, nutritious, unprepared foods (fruits and vegetables) from farmers' markets to eligible women, infants, and children who are nutritionally at risk and who are participating in the WIC program. The Program is authorized by section 17(m) of the Children Nutrition Act (CNA) of 1962 (42 U.S.C. 1786(m)) as amended and Sections 123275 et. Seq. of the California Health and Safety (H&S) Code.
20. FMNP Program Federal Statutes – Title 17 (42 U.S.C. section 1786(m)). The federal authorizing statutes for the program referred to as the Child Nutrition Act (CNA) of 1992.
21. FMNP Program Federal Regulations – Title 7, Code of Federal Regulations (CFR), Part 248, Farmers' Market Nutrition Program (FMNP). The federal regulations under which USDA implements the FMNP program.
22. FMNP Program State Statutes – California Health and Safety Code (H&S) sections 123275 et. Seq. The state authorizing statutes for the Program.
23. Final Invoice – The last claim for reimbursement for actual expenditures allowed under the terms of this Agreement, which must be submitted 150 calendar days prior following the end of the budget period.
24. FNS – The Food and Nutrition Service of the U.S. Department of Agriculture responsible for most of the nation's nutrition assistance programs including food stamps, WIC, the meal programs for school children and other lower income people. FNS establishes rules and regulations for state and local agencies to operate those nutrition assistance programs,. Also, FNS oversees the operation of those programs to ensure integrity through quality, accountability and customer service.
25. Food Check/Instrument – A negotiable document printed and issued to WIC participants for the purchase of WIC supplemental foods at authorized WIC vendors and retail grocery stores.
26. Funding Application – A standard document completed by the Contractor to request funding. This document is submitted to the State for evaluation and review as a basis for initiation of a new contract or renewal of an existing contract.
27. Integrated Statewide Information System (ISIS) – WIC's centralized data processing system, used to collect and store information concerning participant eligibility, enrollment, and food instrument issuance for local WIC agencies.

Exhibit F

Glossary of Terms and Definitions

28. Invoice – A claim for reimbursement of expenditures incurred according to the terms of this Agreement, as further defined in Exhibit B.
29. Local WIC Agency – A governmental or private non-profit organization that provides WIC Program services according to the terms of an agreement with the State.
30. Liquidated Obligations – Allowable WIC program costs that are paid for each budget period.
31. Major Equipment – Any tangible item that has a unit cost per item (before tax) of \$5,000 or more and a useful life expectancy of at least one year. Equipment also includes noncommercially-available software, regardless of cost, and commercially-available software with a unit cost per item costing \$5,000 or more.
32. Minor Equipment – Any tangible item that with a base unit cost of less than \$5,000 and a useful life expectancy of one year or more. Minor equipment includes items at high risk for theft.
33. Nutrition Education Services – Individual or group education sessions that provide information and educational materials to WIC participants. These are designed to improve health status, achieve positive change in dietary habits, and emphasize relationships between nutrition and health by changing participant behaviors and habits. Nutrition education is developed to respect the participants' personal, cultural, and socioeconomic preferences (Section 246.2 of the Code of Federal Regulations).
34. Nutrition Education Cost Category – All costs (direct and indirect) necessary to provide nutrition education services.
35. Office of Management and Budget (OMB) Circulars – The federal policies and procedures governing uniform grant administration.
36. Other WIC Services – Other WIC services include, but are not limited to, infrastructure improvements, nutrition services and activities, breastfeeding promotion and education, Improving customer service, Farmers' Market Nutrition Program, participation on State sponsored or approved committees, and special projects.
37. Participation – The monthly average number of WIC eligible persons that receive supplemental food checks.
38. Primary WIC Program Contact (PWPC) – The Contractor's manager who is responsible for the day-to-day WIC operations and who is able to review and approve the monthly invoices from the program operations perspective.
39. Retail Grocery Outlet – Any retail store authorized to participate in the WIC program to provide WIC authorized foods to WIC participants. Also referred to as a vendor.
40. Report of Actual Expenditure (DHS 4101) – A report completed by the Contractor at the end of each federal fiscal year that must be submitted to the State by December 15th of each year. The report summarizes all the budget year actual expenditures and distributes those expenditures to the four cost categories. These categories are: 1) Nutrition Education; 2) Breastfeeding; 3) Client Services; and 4) General Administration.

Exhibit F
Glossary of Terms and Definitions

41. Request for Application (RFA) – A solicitation document issued by the State to select a local WIC agency to provide WIC services to a specified area of California and/or a specified targeted group.
42. State Committee – A work group or task force set up by the State, to address a specific topic, (e.g., breastfeeding, food delivery, and training) pertinent to WIC. The membership may consist of representatives from local WIC agencies, State staff and the community.
43. Subcontract – A written agreement between the Contractor and another person or organization under which any portion of the local WIC agency's obligation is performed, undertaken, or assumed by that person or organization.
44. WIC Supplemental Nutrition Program – The federal grant program administered by USDA and operated by State agencies to abate the health risks of low income women, infants, and children under the age of five.
45. Time Study – The study that local agency staff must complete which accurately reflects time spent in one of the four federal cost categories (General Administration, Client Services, Nutrition Education, and Breastfeeding). It requires the completion of the "Employee Daily Time Sheet" accounting for 100% of their time.
46. Unliquidated Obligations – Unpaid WIC program financial commitments during the budget period.
47. U.S. Department of Agriculture (USDA) – The federal agency that funds and implements the WIC program throughout the United States.
48. Vendor – Any retail store authorized to participate in the WIC program to provide WIC authorized foods to WIC participants. Also referred to as a retail grocery outlet.
49. WIC Contract Management Binder (CMB) – A comprehensive guide to fiscal, administrative and operational requirements, procedures and forms to assist local WIC agencies in carrying out the WIC Program.
50. WIC Nutrition Assistant (WNA) – A paraprofessional who provides WIC services to participants.
51. WIC Participant – An individual who has been certified as eligible to receive supplemental food instruments, nutrition education, and referral services from the WIC program in the State of California.
52. WIC Program – The Women, Infants, and Children (WIC) Supplemental Nutrition Program, a federally-funded and regulated program that provides supplemental food instruments, nutrition education, and referral services to eligible pregnant, breastfeeding, and postpartum women, infants, and children under the age of five. The Program is authorized by the Child Nutrition Act (CNA) of 1966 (42 U.S.C. 1786) as amended and Sections 123275 et. Seq. of the California Health and Safety (H&S) Code.
53. WIC Program Manual (WPM) – A comprehensive guide to State policies and procedures governing the California WIC program designed to assist local agency staff in carrying out day-to-day program operations and activities.

Exhibit F
Glossary of Terms and Definitions

- 54. WIC Program Federal Statutes – 42 U.S.C. section 1786. The federal authorizing statutes for the WIC program referred to as the Child Nutrition Act (CNA) of 1966.
- 55. WIC Program Federal Regulations – Title 7, Code of Federal Regulations (CFR), Part 246, Women, Infants, and Children Supplemental (WIC) Nutrition Program. The federal regulations under which USDA implements the WIC program.
- 56. WIC Program State Statutes – California Health and Safety Code (H&S) sections 123275 et. Seq. The state authorizing statutes for the Program.
- 57. WIC Program State Regulations – Title 22, California Code of Regulations (CCR), Sections 40601 et. Seq. The state authorizing regulations for the Program.
- 58. Written Communication – Signed hard copy correspondence between the State and a local agency.

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to **contract number** _____ entered into between the State of California Department of Health Services (DHS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via **invoice number(s)** _____, in the **amount(s) of \$** _____ and **dated** _____.
If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment, will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a percentage (0% to 100%) of the materials, goods, supplies or products offered or used in the performance of the above referenced contract meets or exceeds the minimum percentage of recycled material, as defined in Public Contract Code Sections 12161 and 12200.

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHS or purchased with or reimbursed by contract funds)

Unless DHS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHS, at DHS's expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING TO THE FINAL INVOICE

Contractor's Legal Name (as on contract): _____

Signature of Contractor or Official Designee: _____ Date: _____

Printed Name/Title of Person Signing: _____

DHS Distribution: Accounting (Original) Program